
Red Tape Reduction Task Force
Interim Report



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***Dear Mr. Russell:***

On behalf of the Red Tape Reduction Task Force, I am very pleased to present our Interim Progress Report.

We have spent the last four months listening to the public, at advertised open meetings across the province, to groups and organizations representing both businesses and labour, to the civil service, and to other organizations interested in the future of our province. Most support the initiative, and some deplore and seek to restrict our scope.

We wish to assure you that we have the long-term interests of our province at heart, and we intend to seek practical solutions and make recommendations that will be of overall benefit to all Nova Scotians.

Recommendations in this report are in areas where our task force could reach a consensus and where there was either prior work and evidence gathered within government or extensive support and strong arguments from those that we consulted.

There were significant anecdotes and comments relating to other regulations. However, it would be irresponsible to reach further conclusions without "peeling the onion" and getting to the heart of the problems. We will do this relentlessly and bring more recommendations to you in future reports.

We do urge you, in the meantime, to act on these recommendations. We believe that they will be positive for our economy, show support for small business and job creation, and contribute to long-term economic growth. Actions will speak louder than words, and they will help remove some of the cynicism and sarcasm we so often hear.

I also want to thank my five colleagues on the task force, who sacrificed so much of their time during these past several months: Barry Barnet, Jon Carey, Bill Dooks, David Morse, and Richard Hurlburt. Political life is busy and gruelling at the best of times; you have all displayed remarkable commitment, rigour, insight, and goodwill in embracing this challenge.



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Thanks must also go out to the talented team from the Priorities and Planning Secretariat, led by Elizabeth Mills. They are the ones who have taken the meeting notes, collated the results, checked the facts, made the calls, and assembled the research. In short, they have made the feedback comprehensible, so that we are able to present our report today.

Minister, with your support, we will continue to fulfil our mandate and volunteer our best efforts on behalf of Nova Scotia.

Yours sincerely,

David J. Grace, *Chair*

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Executive summary

This is a time of palpable excitement across Nova Scotia—the economy is diversifying and surging, jobs are being created, the government is serious about getting its fiscal house in order. But at the same time, there is an overwhelming sense in business circles that red tape has run amok, that regulations are jamming a rod into the spokes of business growth. We agree.

Consider the staggering growth in regulations in the province over the past 20 years. Over that span, the number of pages of regulations on the books has increased by 140 per cent in Nova Scotia. That is not the sort of growth we should be proud of. The time has come to make the necessary changes.

Summary Findings and Recommendations

In spite of the diversity of the places we visited, the people we heard from, and the submissions we read, several themes emerged. Essentially, people said this:

Here's what we get now: endless forms, endless delays, surly service, too many regulations, illogical rules, poor information, endless games of phone tag.

Here's what we want: efficiency, accessibility, service, timeliness, technology, communication, deregulation, clarity, accountability.

Message received and understood. What is also interesting about these complaints is that most people were unhappy about the actual *administering* of regulations, rather than the regulations themselves.

But it is vital to differentiate between “regulations” and “red tape”; they are by no means the same. Sound regulations find the best possible balance between protecting people and the environment and creating fair ground rules for business and consumers. Red tape is essentially regulations gone wild: when the rules or procedures seem so illogical or unnecessary that their only purpose seems to be wreaking havoc with consumers and businesspeople.

Although the vast majority of people we heard from supported this venture, labour groups told us that we were wading into dangerous waters by attempting to recommend *fewer* regulations. They felt any changes to help business and consumers might harm workers and the environment.

***Initial Recommendations******On process***

- **Develop a “single-window access” system for the public and for business**

More than anything else, this is what the people want. This “single-window access” system should be *the* place for transactions, information, permits, and advice. People are tired of waiting, tired of going from one department to the next, or one level of government to the next. Whenever a businessperson or consumer needs something from government, this should be the destination—a streamlined, friendly place for one-stop shopping.

- **Develop e-government as a tool in the “single-window access” system**

People should be able to access this single-window system both at the government office *and* at home, via the Internet. Your questions could be answered, your transactions completed, with just a few keystrokes on a computer. Already, we are delighted to see that Service Nova Scotia plans such a “clicks and mortar” system.

- **Revive the original concept of Access Nova Scotia—serving customers**

We recommend a return to the original spirit of Access Nova Scotia and the “navigation” role—serving small businesses. Putting the customer *first* must be the first commandment. Service Nova Scotia seems committed to such an approach.

- **Complete the implementation of the LPA process**

Make it simpler to get everything from a restaurant licence to a driver’s licence. The government should implement the recommendations of the Licences, Permits, and Applications (LPA) Task Force. The previous government recommended and approved this streamlined approach, but it lost momentum and was never fully implemented. The task force feels it is a worthy document that should be implemented.

- **Allow businesses to pay by debit and credit cards**

The government should consider allowing businesses to pay for licences (and liquor) by credit cards or debit cards. This would save money and hassles for businesses.



- **Establish a one-stop business registry for new businesses**

Once a new business has registered, its information should be stored in a central database. This would mean that businesspeople would no longer have to fill out detailed "tombstone information" every year. The company should automatically receive pertinent details on regulations, new businesses, common questions, etc.

- **Enforce regulations, but don't treat businesses as adversaries**

We believe it is time to move towards a more collaborative, constructive approach to enforcing regulations. Too often, business and government inspectors think of each other as adversaries. Instead, it is time to focus on *outcomes*, time to acknowledge that everyone wants a safe workplace and the best way to achieve that is through co-operation.

- **Make public communication a top priority**

Government departments and responsibilities often change and evolve, leaving the public confused. The task force recommends a more concerted program of communicating, advertising, and promoting those changes to the public. Government services need to have local offices, offering clear information brochures, and Internet access. Service Nova Scotia appears to be headed in this direction.

On changes to acts/regulations

- **Empower municipalities to set their own retail hours**

The task force recommends that the provincial Retail Business Uniform Closing Day Act be amended to give the municipalities the authority over Sunday shopping. Decisions on retail hours of operation should be made at the municipal level—where the power rests for all other days. The desire for expanded retail hours varies greatly from place to place in Nova Scotia; therefore, it seems logical that the decision-making power should rest at the local level.

- **Change licensing rules for restaurants and bars**

We support the recommendation of the 1987 Task Force on Licences, Permits and Applications that licences, permits, and registrations be valid for three years, instead of one.



- **Deregulate the bus system**

The task force believes we need competition in this sector. The current controls that regulate bus service have done nothing to stop the decline in scheduled service. In other provinces, deregulation hasn't hurt service. Deregulation should benefit the consumer and entrepreneurs.

At the same time, the government should introduce *sufficient* regulations to ensure safety. Right now, only buses have safety regulations; we must ensure that all forms of public transport meet standards for safety. This is a balanced, sensible approach.

- **Remove out-of-date, unworkable regulations from the books**

We asked each department to examine and review its regulations for negative, unnecessary impacts on business. As a result of the reviews so far, we are recommending the elimination of two acts, the Wood (Lumber) Grading Act and the Shopping Centre Development Act. There will be more in the months ahead.

The Next Steps

With this report now in the hands of the provincial government, the task force's work is only beginning. Now, we want to encourage the government to implement these recommendations.

We have been reminded on many occasions that task forces do not have a glorious track record of successes. We agree with those skeptics that actions do speak louder than words. And we are encouraged by the customer-friendly, common-sense approach embraced by the new department, Service Nova Scotia.

Our next step will involve a detailed analysis of each regulation flagged for review through the consultation process and through the inventory conducted by individual government departments.

Obviously, we couldn't possibly hope to eliminate every red tape problem at this point. But we hope that this report, its recommendations, and its actions will spur an even broader examination of Nova Scotia's regulations and procedures. We want this to be the starting point of a productive debate among Nova Scotians, an opportunity for us to establish a system of lucid, fair, common sense regulations, a chance for us to banish red tape. We want people to talk about the red tape that drives them crazy—and about how we can change the rules for the better.



Preface

On May 11, 2000, Premier John Hamm announced the formation of the Red Tape Reduction Task Force. Charged with a broad mandate, we began the process that is now starting to bear fruit.

In the formal phrasing of our terms of reference, we were given five specific tasks within our mandate:

- to undertake a review of business impact regulations to eliminate unnecessary obstacles to achieve an optimum competitive business climate
- to submit recommendations to the Chair of the Priorities and Planning Committee on which regulations should be repealed or revised;
- to advise the Chair of the Priorities and Planning Committee on the results of the review of existing regulatory frameworks and operations to streamline administration and promote the goals of the Red Tape Reduction Initiative
- to establish a framework or set of guidelines that allows for the ongoing review of business impact regulations
- to advise on any other matters the task force may deem necessary as a result of information coming to its attention during the course of the review

In essence, then, we are supposed to find the regulations that cause unnecessary problems for businesses, and then recommend that they be changed or eliminated altogether. At the same time, we must also recommend changes to the way regulations are processed or administered. Through it all, we must ensure that the safety of workers, the public, and the environment is not compromised.

Starting in June, we had audiences with all of the provincial departments with economic portfolios (see Appendix 4 for complete list). Over two days, we met with deputy ministers and key staff from 11 departments.

We met with the Auditor General and his staff. We sought out representatives of business and labour. Representatives from 12 business associations and four employees' groups gave their opinions.

With a solid foundation of counsel and criticism, we hit the road in September to hear from the public, eager to canvass opinions and, most importantly, to listen. We travelled from Sydney to Yarmouth, Amherst to Dartmouth, to 15 communities in all. At least one member of the task force attended each meeting, along with support staff from the Priorities and Planning Secretariat.

Interim Report**Red Tape Reduction Task Force**



At each session, a member of the community with a business background acted as chairperson. About 90 people showed up for the public meetings to speak their minds before the task force. We have received another 59 written submissions—some from people who spoke at the meetings, some from people who did not attend. Of those submissions, 17 came from businesses or businesspeople, 18 from government employees, 8 from municipalities, 7 business/professional associations, 2 from regional development authorities, 1 from a labour group, and 6 others from individuals with no affiliation.

We in the task force applaud the people who made written submissions and those who came out to the 15 public meetings around the province in September. Your input has already made a difference.

And we encourage those of you who haven't participated yet to have a look at this report and see if it rings true. Tell us if we're on the right track or way off base. We are not doing this to promote our own views; instead, we are trying to catalogue the observations of regular Nova Scotians and then recommend government action on those concerns. Already, we have received many thoughtful and thought-provoking submissions from individuals, businesses, unions and organizations.

In a relatively short period of time, we have made a good start on this exciting, important initiative. Many of our recommendations aim to improve the process of administering the regulations. Already, we see some of those recommendations being implemented by the government. The next step for this task force is to thoroughly analyse each regulation that has been "red flagged" for review—either through this first phase of consultations or by departments in their regulatory review process.



Make no mistake. This is an interim report, not the last word on cutting red tape. Instead, think of it as the start of a dialogue on an issue that affects all Nova Scotians. Even as we publish this report, the task force is continuing to work on these questions. We hope the momentum continues to build, so that Nova Scotia will lead the country in straightforward, safe regulations that make sense to business and protect people and our environment.

Please contact any of the task force members with your thoughts, or call our toll-free hotline (1-866-346-7179) at any time.

Visit our website at www.gov.ns.ca/cutRedTape to get progress reports or send e-mail to redtape@gov.ns.ca. You can write to us at:

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Introduction

Red tape. The very term sends blood pressures soaring.

Dictionaries define it as government paperwork and procedures that are slow and difficult. The rest of us probably use less polite definitions.

Red tape has its origins in 18th-century Britain. Official government papers were always bound with red tape. Over time, of course, red tape has stretched across the Atlantic to entangle Canadians, too. Red tape has become linguistic shorthand for bureaucratic absurdities, time-wasting paperwork, and general impediments to common sense.

Cutting red tape is an important undertaking, which, if properly done, can make a positive impact on the way business is done in Nova Scotia ... now and in the future. We fully understand the significance and scope of this challenge, as well as the competitive pressures to take action, to make a difference.

Changing attitudes will take time; it will also take time to amend or dismantle many regulations. The task force and the provincial government believe the proof must be in the actions. The shelves of regulations we have were not created overnight, nor will they disappear at dusk today. However, we *are* committed to eliminating any unnecessary regulations and improving any flawed regulations so that they can be enforced.

Objective

Our prime objective is to improve the economic climate for Nova Scotian businesses. The way we are doing that is to try to minimize unnecessary, unfair regulations—so that our economy can thrive. At the end of the day, we want to have a regulatory environment that protects the public and promotes economic prosperity. We also want to create a more balanced, efficient, and effective regulatory administration. In essence then, we want to improve both the system itself *and* the way that system is administered.



Background

So what *is* a regulation anyway? When does a regulation become red tape? And how did we wind up with so many regulations and so much red tape? Well, first things first. According to the Organization for Economic Co-operation and Development (OECD), a regulation “refers to the diverse set of instruments by which governments set requirements on enterprises and citizens.” According to Nova Scotia’s Regulations Act, a regulation is defined as “a rule, order, proclamation, regulation, by-law, form, resolution or tariff of costs or fees made in the exercise of a legislative power conferred by or under and act of the legislature ...”

There’s more, but you get the idea. Regulations are designed to be tools to enforce an Act of the Legislature. Essentially, they are the government’s way of establishing basic rules of conduct for businesses, while trying to ensure the safety of workers and the public and protecting the environment.

At the heart of this whole exercise of cutting red tape is another notion: sustainable development. This is the realization that the business climate cannot be so unchecked that human health or the environment could be harmed.

After all, regulations aren’t always roadblocks to development and jobs. In fact, they can actually help by, in essence, forcing businesses to assess, consider, and prevent problems *before* they occur. In other words, when a company takes steps to ensure workers’ safety and to avoid environmental harm, it is also taking steps to save itself from harm. In economic terms, regulations can save potential liability or environmental cleanup costs for business and government. In human terms, they can save much more—they can save lives and preserve health.

Regulations are usually responses to societal demands from the public at large or special interests (such as business or labour groups). They may be a government’s attempt to follow through on a campaign promise or an ideological position. Or they may be reactions to specific events or crises—attempts to ensure that past problems or tragedies might be avoided in the future. (The Westray disaster is frequently cited as a case that spawned many new regulations designed to protect workers from ever being placed in such danger.)



Regardless of the origin or the rationale of regulations, they must be fair, effective, balanced, and enforceable by government. If a businesswoman has to abide by an unfair or outdated regulation year after year, where is the incentive for her to play by the rules? In some cases, businesses might decide not to comply with regulations, fuelling the underground economy while putting safety at risk and depriving the economic system of tax money.

Of course, there can be no excuse for such practices. But, the greater the number of problematic regulations, the greater the number of problematic effects. Government becomes an adversary, rather than a resource, an ally, or an advocate.

Such regulations can lead people to lose respect for all regulations and to be cynical about the effectiveness of the political system. In other cases, quality people—entrepreneurs, leaders of tomorrow, job-creators—drop out altogether. Small businesses stay small to avoid the sometimes difficult, complex regulations for bigger companies. Or maybe they pack up and move somewhere else, somewhere where government knows how important small businesses are to a strong economy. We must find the ideal balance between protecting the public interest and promoting economic growth.

In 1997, the Organization for Economic Co-operation and Development (OECD) released a sweeping report that called for urgent action to improve the quality of regulations. (Canada and the OECD's 28 other member countries are in the midst of the reviewing their regulations right now.) The report offers compelling evidence of the benefits of a smooth-running system of regulations and warns that governments that ignore reforms and innovation do so at their own peril.

Reform that reduces business burdens and increases the transparency of regulatory regimes, supports entrepreneurship, market entry, and economic growth that, in turn, should produce high paying, high quality jobs. Reform that reduces "red tape" and paperwork burdens for ordinary citizens—particularly in their role as taxpayers—frees up valuable time and individual initiative.

OECD Report on Regulatory Reform, 1997



Instead of serving a legitimate and useful purpose, obsolete or imperfect regulations become at best an irritant and at worst an impediment to doing business. Like it or not, Nova Scotia's regulations play a significant role in the prosperity of all Nova Scotians: regulations establish the ground rules for business. In so doing, they make an impact on the competitiveness of our economy and on the financial success of the province.

But somewhere along the line, regulations became a growth industry in Nova Scotia. Here's an example. In 1981, there were 2,700 pages of regulations in Nova Scotia; by August of this year, we had 6,500 pages lining our shelves. Clearly, that's not a lure for the next Nortel or Microsoft; it's a magnet for bureaucratic gridlock, business frustration, and economic stagnation.

Other governments across Canada are already taking steps to streamline their regulations. As a comparison, let's consider Saskatchewan, a province of about 900,000 people—comparable to Nova Scotia. That province has been able to whittle down its total number of regulations from 810 to 706. That's already a significant drop, but the provincial government isn't finished—it has pledged to make a further 25 per cent cut.

On the other hand, today in Nova Scotia, there are 1,100 separate regulations: that's 400 more than Saskatchewan. Is there any reasonable argument for us to have 36 per cent more regulations than a province with a comparable population?

We don't think so. People are saying enough is enough—or, more accurately, too much is too much. We are over-regulated; we are being papered out of business. Now is the time to act.

Many of the people we heard from said red tape scares small business away from dealing with the government, it forces small businesses to stay small, and it discourages entrepreneurs from setting up shop in Nova Scotia. Others say it has encouraged a thriving underground economy, where a labyrinth of regulations can be avoided.

The snarl of red tape is especially hard on small businesspeople. Consider that most work long hours, devoting their time almost exclusively to making their business thrive; every hour spent on paperwork is an hour away from "growing the business," an hour of productivity lost. Small businesses just don't have the time, the staff, or the expertise that a bigger company has for dealing with complicated regulations.



As one participant said ruefully, small businesspeople not only have to be versed in business, they have to be a lawyer, accountant, and engineer to be able to interpret the varied and demanding rules of the game.

Not only does it hurt business; it exacts an extraordinary cost elsewhere—on the government side. Often, civil servants, those closest to the customer and the administration of the regulations, question the logic of the regulations but they have no choice but to administer them as they exist.

It's not surprising that administrative costs have soared in tandem with the ever-lengthening red tape in Canadian governments. According to a study by the Fraser Institute, the total costs of all Canadian regulations rose 49 per cent between 1975 and 1996. The study also says the combined cost of administering federal, provincial, and municipal regulations was a staggering \$83.4 billion in 1998. That works out to \$11,272 per family of four. Those costs also hinder the country's productivity.

It's clear that Nova Scotia's red tape trouble is symptomatic of a national problem, and not something that begins and ends inside the provincial government. In fact, many of the complaints we've heard aren't exclusively about Nova Scotian regulations; municipal and federal regulations were also sharply criticized.

The overlap among three levels of government is an unavoidable reality of our political system. But there is no denying that things could run more smoothly with co-operation between and among the various governments.



Consultation and Review Process

The process we are following is a broad, six-pronged strategy. At this point, we are about a quarter of the way through our two-year mandate. To sum up each part of the strategy with a single word might go something like this: study, listen, consult, deliberate, recommend, and report. (See Appendix 1.)

First, we asked government departments to do their own review of regulations to identify problems and to offer ideas to improve administration.

Second, we met with businesspeople and labour leaders, deputy ministers and bureaucrats to hear their stories and recommendations.

Third, we assessed the complaints and concerns we heard from the public, industry, and government.

Fourth, we decided what should be the top priorities to fix, based on the information we had received so far.

Fifth, we will determine if any proposed regulation could have an impact on business. If so, we will ask the relevant minister to prepare an analysis of the proposal based on seven criteria. (See Appendix 6.)

And sixth, through this interim report we make our recommendations and observations to the minister and the public.

The key to the success of this project is to hear from Nova Scotians—particularly, but not exclusively, the entrepreneurs, businesspeople, workers, and public servants who know all about red tape and regulations. In addition to the input at 15 public meetings, we received another 59 written submissions, and we met with representatives of 12 business associations and four labour groups. We also benefited from the discussions held during the provincial government's Economic Development Consultation meetings in June 2000.

The aim of our September public meetings around the province was to cast a large net so we could gather the thoughts, experiences, and suggestions from as wide a cross-section as possible. Each of the public meetings we held was a success, offering new insight and observations, along with similar complaints that seemed to pop up everywhere. No matter how productive the meetings were, however, there is no denying that we were disappointed by the turnout. We wanted to hear from more people.



We have entertained a number of reasons for the low turnout. Perhaps more people didn't show up simply because our red tape problem isn't as acute as we thought. That would be a comforting reason, but from what we've heard so far, it certainly doesn't seem to be so. As this report will make clear, many businesspeople say they are choking on red tape. Our impression is that people are skeptical—they have been asked similar questions before and little has changed. We can feel the public's doubts about this venture. And, although it pains us to admit it, we understand. Governments are never short on promises, but making good on those commitments is sometimes another story.

Whatever the reasons for the low turnout, we feel it was right to have held those meetings in September. It was important to take action as soon as possible; the longer we put off this initiative, the more entrenched the problems become, the more businesspeople get frustrated, the more our economy and our system of government suffer.

We believe that the government must demonstrate that your suggestions *can* improve the system. Overcoming the public mood is a difficult task, but we feel if we can make real, tangible progress on red tape, that skepticism might fade.

We applaud the individuals who took the time to attend the meetings and write submissions to the task force. You made your points eloquently and offered suggestions. However, this task force's job isn't over. We want to make sure our review is sweeping, comprehensive, and helpful. For that to happen, we need the help of all Nova Scotians who grapple with such regulations. We need to hear from you. If we don't, there is the chance that a particular strand of red tape could slip past undetected, unchallenged, and, therefore, unchanged. To make positive changes, we must have positive input from as many people as possible in business and in bureaucracy.

This initiative is not an exercise in bureaucrat bashing. There is plenty of blame to go around, but bureaucrats are very often the targets because they have the responsibility of carrying out the decisions made by legislators. It is worth remembering that the vast majority of our civil service works hard, with little fanfare; the stereotype of the coasting bureaucrat is both offensive and out of step with the times.



Day in and day out, public servants deal with these regulations—either by enforcing them or by processing them. As a result, they have an intimate knowledge of regulations; they know which ones work and which do not. We thank those who have come forward already with helpful suggestions. We need to replace the feelings of powerlessness and frustration. At some point, common sense and clarity have to rule the day.

What We Heard

No matter where the task force went, certain themes seemed to emerge. Many presenters spoke of their anger and discouragement about the avalanche of government forms and regulations. There are too many cases to mention, but let's consider a few examples to get a snapshot of businesses' frustrations.

"Regulated to death"

Consider this letter we received from the president of a small contracting firm on the South Shore. His closing lines sum up the sentiment of many people we have heard from:

In general I feel we are regulated to death. It seems that we have two bureaucrats for every employee we have trying to prevent us from working. The paperwork alone requires that we have full time office staff and is costly. We find that there are so many regulations that the people trying to enforce them are not knowledgeable of them, and obviously have a hard time keeping up with all the changes. The rules keep changing as personnel changes. We employ thirteen local people year round in our business and at times seriously wonder whether it is worth it.

He is not alone. A leader from the private career colleges sector spoke of section 24(1) of the Private Career Colleges Act.



The act lays out the requirements for hiring instructors at private colleges. She has no quarrel with that or with the requirements to fill out a four-page form, attach a résumé, photocopies of degrees, certificates, and so on. But once that is completed and sent to the Department of Education, the trouble begins.

At the Department of Education, reviewers of our materials can still refuse to accept such instructors even after we have gone through the whole process, and ensured that those being hired have the stipulated credentials, the department can still deem such a person to be unacceptable ...

My concern is this: how can a person in Halifax who has not been through the interview process, called the references, or met the candidate make such a judgement? ...

I believe that as long as we can assure the Department that the minimum credentials for each instructor are in place (i.e., copies of degrees, etc.), then WE should be able to determine who we want to hire ...

What business can run effectively that does not have the authority to hire its own employees?

She says in one case, an instructor became ill, but she couldn't hire a replacement until the department approved her decision. By that time, it was too late; the course had to be cancelled.

We heard other frustrations in dealing with the act regarding private career colleges. One of the most aggravating cases of "paperwork for the sake of paperwork" has been—hopefully—remedied just this year.

Previously, private colleges had to submit detailed forms on every course they offered, year after year, even if there were no changes to the course or curriculum that year. Now, the act requires a submission only if something has changed over the year. At long last, a victory of common sense over red tape. (However, there are still concerns among private college administrators because the act does permit the government to use its discretion to call for submissions on every course.)



Developers and homebuilders in a number of areas have complained about how other citizens can make it awfully hard for them to get approvals from both the municipality and the province. For example, let's say the municipality approves your plan to build a house. Someone else can appeal that ruling, sending the case to the Utility Review Board. That starts a costly process that can last six to nine months. And the perception is that the URB very rarely overturns anything, anyway. At the end of the process, nothing has changed but considerable money and time have been wasted. Our task force needs to look into this question further.

Participants at one public meeting spoke about the inordinate time it takes to start an aquaculture business in Nova Scotia. They say it takes two years to navigate through two federal and two provincial departments before you can get the necessary permits. But in Newfoundland, they say, it takes just four months to get the go-ahead. Because of the delays, some businesses find it's simpler to just go ahead without permits and pay the \$100 fine.

Many people called for so-called "sunset clauses" for regulations, forcing them to be reviewed after a number of years to see if they hold up to scrutiny. The expiry dates would have to be staggered to prevent a sudden rush of reviews.

The Chair of the Safety Committee of the Association of Professional Engineers of Nova Scotia (APENS) told us of a peculiar situation about tractors that has caused him grief and could lead to a flood of paperwork on the desks of farmers and public servants. The root of the problem lies in the Occupational Health and Safety regulations scheduled to come into effect on November 1, 2000.

He explained that in Nova Scotia, many tractors with roll bars are American-made. The tractors' roll bars do meet stringent American regulatory safety standards. But they do not have the seal of approval from the Canadian Standards Association. And without CSA approval, the tractor could not be used in Nova Scotia, according to the Occupational Health and Safety rules.

To get around this problem, each tractor owner and dealership would have to apply to the Department of Environment and Labour for a deviation to accept the American safety standards. That could cause headaches for hundreds of farmers. And at the same time, the province could face an enormous administrative problem when all those farmers apply for a deviation.

The APENS Chair offered a simpler solution. As soon as one tractor owner is granted a deviation for his tractor, apply a blanket deviation to all tractor owners who are in the same situation.



The task force followed up on this issue with the Department of Environment and Labour. As a result, the department initiated an assessment of US safety standards on tractor roll bars. If those standards are found to be essentially the same as Canadian criteria, a province-wide deviation will be applied for anyone with that make of tractor. We hope that this important correction will be in place soon.

This is not an example of a wrong-headed regulation. Instead, it is simply a case of a well-meaning regulation with a small flaw—a flaw that if corrected before its implementation would head off scads of red tape.

Where do you turn?

Several speakers voiced their frustration with government's chameleon-like ability to change the names and roles of its departments and agencies. As a result, many contributors to the meetings said they felt at sea and that, more often than not, the government employees they spoke with seemed to be as lost as they were.

Coupled with the modern plague of voice mail and automated phone service (one person spoke of a "telephone curtain" that blocks accountability), it becomes exceedingly difficult and aggravating to even reach the person you think you're supposed to talk with. When you finally do, it's likely you'll be shunted along to someone else, somewhere else. In the end, people are left confused and frustrated.

A woman who grows sea parsley in Shelburne spoke of the burdens of dealing with the provincial government. Her company must deal with 11 departments or agencies. The company is unique and does not fit comfortably into any specific classification—the Department of Agriculture considered it a farm because the sea parsley is grown on land; Fisheries considered it aquaculture because seawater is used to irrigate the parsley. The Workers' Compensation Board has still another classification. All of the muddled definitions make impacts on both municipal tax rates and WCB board rates. The company has been appealing those classifications for three years, draining the energy and resources of this small business.



Here's another example of red tape gone awry. A Digby man applied for a permit, but was denied. He wanted to know what corrections he should make to apply again, but when he asked for the reasons, he was told to apply through Freedom of Information.

Another example, this time from a propane gas expert. To become a propane operator, you must first take a course from the Propane Gas Association of Canada. Then, you must pass a national exam from the PGA to get a certificate and a licence. With those in hand, you are all set to go—in nine provinces, at least. Guess which one needs more than that? You got it, Nova Scotia. Here, you must also pass another, similar provincial test. The \$15 cost is negligible. But when lost productivity is coupled with such red tape, it just doesn't seem to make sense.

Frequently, small business people are frustrated and start to question whether being in business is worthwhile. If they decide it is not, that robs all Nova Scotians of a better chance at prosperity. We simply cannot afford to alienate the very people who are so determined to start a business, create jobs, and realize a dream. They are the people who keep the economic engine running, the people who turn a great idea into an irreplaceable industry, the people who will turn this province into a "have" province, rather than a "have not" province.

Big problems for small businesses

Among the small businesspeople, regardless of their geographical location, there is a sense that the root of the problem with many regulations may be that they are written in a kind of "one size fits all" style. As a result, they apply indiscriminately, to small, medium, and large businesses, in both urban and rural areas.

Of course, the fact is that one size does *not* fit all. There are profound differences between Wal-Mart and the Mom and Pop store on the corner. Those differences have to be both acknowledged and addressed. Hiring one extra person to deal with paperwork likely won't make a dent in a big box store, but hiring another person in an office of six could sink the operation altogether.



Anti-rural regulations?

Like small business, small towns often feel they are being ignored, discriminated against, or marginalized by government, and these are the places where jobs are needed most.

One businessman recounted an experience he had with fire regulations that he says typifies the burdens placed on businesses in rural Nova Scotia. He was building a new, 15,000-sq. ft. warehouse for cold storage. Because of its size, regulations demanded the installation of sprinklers, even though the building was made of concrete and designed to store blueberries. Then there was the problem of getting a water source for the sprinklers ...

Our problem in rural communities in Nova Scotia, is that we do not have a water supply in sufficient quantities to operate a sprinkler system, hence we had to construct a pond and pumps to operate the system. The project was a Cold Storage, where all officials agree, there is not a safety or health issue: simply a regulation which was written with a bias toward cities and towns with an adequate water supply.

He says when he asked the Department of Labour to review the sprinkler regulations, his factory was instead flooded by inspections—13 in all. At the end of the day, inspectors found no safety issues. The sprinkler system cost an additional \$1 million on top of a project worth \$5 million. Ironically, his insurance company thought the sprinklers were unnecessary and didn't give him a better rate.

He suggests this is a strong argument for the province getting out of the inspection business and leaving it in the hands of insurance companies or self-regulating industries.

A business owner in the metal fabrication sector recounted a similar experience. He too had to add sprinklers to a 15,000-sq. ft. warehouse he was building. There is little chance of connecting to a municipal water supply in his rural community. The regulations forced the company to spend \$350,000 to create a sprinkler system to meet the code.



He recommends amending the Nova Scotia Fire Code to reflect national standards: "The National Fire Code allows some flexibility in sprinkler requirements. (It) takes into consideration building construction type, intended building use as well as building size. The Nova Scotia Building Code only refers to size (15,000-sq. ft.)."

Participants felt that in these kinds of cases the detail and scope of the regulations must be commensurate with the risks. In other words, a 15,000-sq. ft. building used for cold storage would not face the same stringent regulations that a 15,000-sq. ft. mall might. We will certainly review these suggestions.

How regionalization hurts service

Rural discontent is just one thread of several, intertwined red tape issues. Take the growing phenomenon of regionalization in the province. There is a widespread opinion in rural Nova Scotia that regionalization or amalgamation has hurt small communities.

One man, for example, felt that too much power and too many responsibilities are concentrated in Halifax. He suggested that if the capital has just about one-third of the population of the province, it should only have about one-third of the province's offices and services.

Or consider the remarks of a man in Shelburne. He said the town doesn't have a Registry of Motor Vehicles, forcing people to drive 100 kilometres to the office in Yarmouth. He claimed that the government registry is open only during regular business hours, forcing people to take time off work to get to the Yarmouth office. Sacrificing that much time is extraordinarily difficult for a small businessperson because every hour counts, every hour costs.

What we've discovered, however, is that the province does conduct tests for driver's licences, learner's permits, and driver improvement in Shelburne six days a month. It is also available in Liverpool six days a month. Appointments with the Registry of Motor Vehicles can be made by phone and the Yarmouth RMV office is open until 7 pm on Wednesdays, Thursdays, and Fridays. That kind of flexibility is good news for small businesspeople like the man in Shelburne. As well, the newly created department Service Nova Scotia will soon improve Registry of Motor Vehicle services in many counties, starting with Shelburne.

Last spring, the government began to restructure the public service, reducing the number of departments and agencies to become more efficient and more effective. At that time, Premier Hamm said, "Service Nova Scotia and Municipal Relations will be the new face of government in Nova Scotia."



Launched on October 1, 2000, its mandate is to provide quality service to people, businesses, and municipalities across the province. The department's 49 offices in 36 communities—and a presence in every county—is an excellent start. Service Nova Scotia will use technology to make a wide range of government services available in every region when people want them, not simply during regular office hours, and no matter where they live. The department is charged with finding new ways of serving clients through innovative partnerships.

It seems that the average citizen isn't aware of these encouraging developments. According to many of the people we spoke with, something is wrong with the way government communicates. As we said earlier, people seized on the ever-changing names of departments and the corresponding changing of roles and responsibilities. (Service Nova Scotia is another example of that, of course.) Speakers agreed that government does a poor job communicating those changes in particular, and has a hard time with public relations in general.

There needs to be more communication ahead of time to make sure people know about new programs or changes. Rules—and their rationale—must be explained honestly and clearly. The task force echoes the recommendation of several participants: government departments have to advertise their programs and services.

One-stop shopping/single-window access

If a shared mantra emerged from the meetings and the submissions, it went something like this: we need "single-window access for information and services." At every one of the 15 meetings, at least one person suggested such a system. Ideally it would include access to all levels of government: federal, provincial, and municipal.

The idea is to have a place for businesspeople (and all Nova Scotians, for that matter) to do "one-stop shopping," regardless of level of government, regardless of department. And participants want to have these places in their communities, not just in Halifax.

If you're interested in starting a business, you could go here to get all the necessary information, paperwork, contacts, and future steps. If you're an established business looking to expand or hoping to buy land, you could have all your questions answered here, rather than having to track down all of the relevant authorities.



There were calls for a single-window access point for all licences, permits, and applications (LPAs). Everything from driver's licences to restaurant licences to temporary liquor licences should be available at the same place. People remembered the 1997 Report and Recommendations of the Licences, Permits, and Applications task force to streamline the LPA process. They would like to see the report revived and its recommendations implemented.

A key component to such a system should be the Internet, participants said.

If documents are public, they should be freely available to the public—the Internet is the perfect vehicle for such access. Databases could be combined as part of the service, with clear links to the relevant government, department, or agency, along with basic elements such as a search engine to find specific regulations or services. Regulations are on the government website but the public needs help identifying which regulations, permits, etc., are required for which type of business.

Customer service

Many people lamented the transformation of Access Nova Scotia. When it was first created, Access Nova Scotia acted as a navigator and an adviser to small business. But then it moved under the control of Business and Consumer Services, rather than Economic Development. Consequently, many participants said, the staff at Access Nova Scotia changed and so did its focus. Instead of helping small businesses, the focus shifted to dealing with transactions.

Participants at the public meetings complained that there is still a complex maze of regulations, without a decent guide to walk you through it. Others felt that public servants had no idea how to deal properly with customers.

A member of the Nova Scotia Co-operative Council decries what he calls “the arrogance of the bureaucracy. People expect to be valued as customers, yet there seems to be little understanding of ‘people as customers’ by government workers. Public servants act as though their main purpose is to enact and protect government rules and regulations, and to make themselves indispensable.”



Septic system frustrations

Several speakers commented on problems and confusion with the regulations for septic systems. In the past, engineers from the Department of the Environment were the only people who could approve and inspect septic designs. That has changed to allow private sector engineers responsibility for the design, while the department engineer continues to handle approvals.

However, some participants claimed that the department engineer would still come around to inspect the design, even after it had been approved. The department says its engineers are simply inspecting the design on an audit basis to ensure standards are met.

That being said, one participant said the change has done nothing to stop intolerable delays:

On April 1, 2000 I applied to the Department of Environment for an on-site sewage disposal system. I was expecting to start construction within a week. The lot had been previously approved, all that was required was for an inspector to 'take a look.' As of this writing, two-and-a-half months later—no approval—not even time to take a look!

Delays are a consistent bone of contention for businesspeople. To them, the pace of governmental approval is an exercise in aggravation like watching a movie in slow motion. Delays consume time that could be used to improve the business and make money.

The task force is looking into these questions and will make relevant recommendations in its next report.

Tourism concerns

In the tourism sector, delays are even more troublesome because the peak season is so short in Nova Scotia. A couple of examples highlight the need for speedy action and responses by government.

In one case, a tourist operator wanted to add three cottages to his site—the project was approved in August, six months after the application. By that time, the summer season was more than half over—too late to start the new cottages.

This new process adds anywhere between \$400 and \$1500 to the cost of a new home ... In some parts of rural Nova Scotia it can still take up to two months to get the approval. Even with this new process, in some cases, you may not get any better service from the Department of the Environment. And that's not right!

Paul Pettipas
Executive Officer
Nova Scotia Home
Builders Association



In another, a businessperson began a project to add a chowder house to a cottage business. After \$50,000 worth of improvements and engineering fees, the project had to be put on hold. The operator claimed the government showed no interest in speedy responses, and government inspectors followed regulations to absurd lengths, abandoning common sense altogether.

Tourism is big business in Nova Scotia, generating more than \$1 billion a year for the provincial economy. And it is getting bigger. In all, 36,000 people work in the tourism sector. But it is by no means a monolith; on the contrary, it is overwhelmingly composed of small businesses: bed and breakfasts owners, campground operators, artists, tour companies, and so on.

Although the industry is diverse and eclectic, it is united in its frustration with red tape and regulations it feels are antiquated.

Deregulation of retail hours

The tourism sector and other individuals say it is time for Nova Scotia to catch up with the rest of Canada and allow deregulated retail hours.

According to the Tourism Industry Association of Nova Scotia (TIANS), 16 per cent of tourism revenue comes from retail purchases; in 1999, that worked out to \$192 million. If retail hours were deregulated, that single extra day a week would likely generate another \$39 million in tourist spending. (The province's share of the HST would be \$3 million.)

Visitors from outside the province and outside the country expect to have stores open every day of the week. Tourism operators say Nova Scotia can't compete with other provinces or the US as a result. In fact, Nova Scotia is the only province in Canada that does not allow shopping seven days a week.

TIANS isn't the only one voicing support for deregulated retail hours. In the words of one individual's submission:

[Government] chooses to play Big Brother rather than let store owners and ordinary citizens make their own decision on whether to open their stores or to shop on Sundays. It is not the government's business to tell citizens where and when they are allowed to buy, sell, shop, open or close.



Deregulating retail hours, others argue, would have valuable economic spin-offs on other businesses. With every day open for business, the traditional Monday-to-Friday work week might be discarded by manufacturers, for instance, who would have more flexibility and more hours to manufacture. Scheduling could improve inventory, turnover, delivery, and competitive position.

As it stands now, municipalities have responsibility for regulating retail hours from Monday through Saturday; some people question why the province should have authority over Sunday and they suggest the decision should instead be left with municipalities, not the province.

Deregulation of bus service

TIANS also would like to see deregulation in the charter or tour bus industry. (Essentially, buses are defined as any vehicle that carries nine or more passengers.) TIANS says the current bus regulations are "archaic" and anti-free enterprise. Opening up the province would provide a boost to existing operators who are eager to expand and to new operators who want to get into the Nova Scotia tourism market.

In spite of the controls on a regulated bus service in the province, scheduled service has been declining steadily. The task force believes we need competition in this sector—there is no reasonable argument against it. Other provinces that have deregulated the scheduled market say it hasn't caused a drop in service. Competition should be good for consumers and for entrepreneurs trying to expand into the public passenger sector. At the same time, there must also be consideration on the issue of accessibility on buses.

The task force is recommending *sufficient* regulations to ensure increased safety. Right now, only buses have safety regulations; we must ensure that all forms of public transport can meet some agreed standards for safety. Although our principal goal is to eliminate regulations, the task force is also charged with protecting safety in regulations; this is merely a balanced, sensible approach.

Currently, some tour companies avoid Nova Scotia's bus market and instead book their charter bus elsewhere and then drive to Nova Scotia.

Judith Cabrita
Tourism Industry
of Nova Scotia



Occupational health and safety

Differences of opinion couldn't be more pronounced than the feelings about Occupational Health and Safety Act regulations. These regulations may well have been the largest source for complaints by small businesses. (Medium and large businesses had little to say one way or another about the act.) Some technical issues have been raised on a few regulations.

Small businesspeople say they need help in figuring out how to comply with the act's regulations. And they feel the Advisory Council on the act (which advises the Minister of Labour) doesn't speak for them because it is composed primarily of labour and medium to large business representatives.

The Canadian Union of Public Employees (CUPE) wanted to make clear that people should not confuse good, thorough legislation with red tape. CUPE said the Occupational Health and Safety Act and Workers' Compensation rules, along with regulations on employment and labour standards and on the environment should not be touched.

Some small businesses consider the regulations for those acts extreme, the paperwork too complicated, the processing delays intolerable. Labour groups, on the other hand, might consider it due diligence, necessary protection for workers and the environment.

CUPE recommends implementing workplace violence regulations. The union says many CUPE members are at risk of violence in their jobs, and they need legislated protection. CUPE does not support the elimination of any regulations.

The task force has decided to summarize all comments and correspondence about the OH & S Act, and raise them with the Minister of Environment and Labour.

Response to the task force

The overwhelming number of people who provided comments to us were extremely supportive of the task force and its goals. The widespread feeling seemed to be: "It's about time." Still, it would be misleading to suggest there is unanimous support for this initiative. Labour groups have expressed reservations about the composition of the task force, the consultation process, and indeed the rationale and aim of the project itself.



The Nova Scotia Federation of Labour says the regulatory system isn't broken and there are real dangers in trying to fix it. The safety regulations we have in place are stringent—and they should be. Any attempt to reduce or eliminate regulations could put the safety of workers and the public at risk, as well as threaten the environment.

CUPE has also criticized the task force. Its leadership also believes this initiative should be killed. Instead of this task force, CUPE says the government should name a full-time, independent red tape commissioner. As CUPE points out, appointing a commissioner is another Blue Book promise.

The government is certainly aware of that pledge, but at this point it has decided against hiring someone just yet. Before that decision can be made, the task force must continue its work, and government departments must work to devise an action plan that will help government resolve red tape problems. In our opinion, to appoint someone now to fill an undefined position would be nothing more than wasteful symbolism.

Organized labour also takes exception to the composition of the task force.

However, the task force was never conceived as a committee that would be representative of Nova Scotian society. Instead, the group was assembled to act expressly for the government, not as a bipartisan committee. The government is making good on its Blue Book promise to cut red tape and make Nova Scotia a better place to do business. And it is doing that with five of its MLAs and a well-regarded businessman. (It would hardly seem reasonable to expect MLAs from the opposition parties to help the government fulfil its campaign promises. With a compressed deadline and such ambitious goals, the task force couldn't afford to be hampered by partisan politics or ideological debates.)

The fact that all of us have business backgrounds should be seen as a logical, positive attribute for such an undertaking. The bottom line is that the people struggling to comply with business regulations are small businesspeople, the lifeblood of our economy.

In the end, we are confident that our report and the actions to follow will be judged on their own merits. We will say again that the purpose of this exercise is to ensure we have the best climate possible for a vibrant economy *and* to ensure that people and the environment are protected from harm.



Initial Recommendations for Action

As you have read in this report, we've had no shortage of advice and complaints. You've read a number of stories that probably make you shake your head in disbelief or nod your head in recognition. It seems clear that red tape has to be cut, but where, how, and how much?

What follows now are the initial recommendations, after considering these reports. We believe these are common-sense approaches, long overdue in many cases. In recommending these changes to the government, we hope to turn the horror stories into success stories.

We hope that most of you will agree with our positions; but remember that these recommendations are by no means carved in stone. Please consider them as the first steps in the right direction. Some may think they go too far, others may think not far enough. Whatever your reaction, we believe the report and its recommendations will stimulate more action on red tape.

We in the task force are committed to this process and its goal of fulfilling the extraordinary potential of Nova Scotia. More steps along the path must come—and we are relying on Nova Scotians to come forward, make their case, and make a difference.

Already, we feel momentum building. Shortly after making these initial recommendations (in fact, as this report was being written), we were delighted to discover that Service Nova Scotia and Municipal Relations is moving in the same direction. In the recommendations below, we indicate wherever our suggestions are complemented by Service Nova Scotia's current initiatives or long-term plans.

Our Recommendations

On Process

- Develop a "single-window access" system for the public and for business

Clarity, speed, and accountability: all are indispensable things that become lost in red tape. Those three crucial components must be reclaimed. And we believe they can be—through a customer-focused approach for government services.



This "single-window access" system should be the point of contact for both transactions and information, a place where customers can get their permits, file their documents and at the very least get directions to the appropriate federal, provincial, or municipal government department.

Service Nova Scotia will soon provide "single-window" access to a wide variety of government services and information. This includes business registration and licensing, motor vehicle registration and driver licensing, personal property registration (including the Registry of Deeds), property assessments, residential landlord/tenant relations, and more.

- **Develop e-government as a tool in the "single-window access" system**

A readily accessible e-government service would be at the heart of this "single-window access" system. Government would obviously have its own Intranet service for its employees to serve customers, and at the same time, members of the public could access the system from home, via the Internet.

In this wired society, there can be no reasonable excuse for not working towards such a system. It makes perfect sense. It would streamline all procedures for government, for individuals, for businesses by establishing a common entry point to find out which regulations apply to your business, find the person you need, and so on.

At every meeting, people demanded this sort of service. They are tired of being passed from one department to the next, tired of unaccountability, tired of delays.

The buck has to stop here. With this sort of harmonized e-system, there would be no risk of hearing "that's not my department"—all the departments would be centred in a single access point. And all the information would be at your fingertips.

Service Nova Scotia is in step with our recommendation. Within three years, the Department expects to provide 80 per cent of its services—and 80 per cent of government licences from all departments—online.

There is no question this recommendation would be a challenging arrangement, but the technology is available to become a model for modern government service to the public and business.



- **Revive the original concept of Access Nova Scotia—serving customers**

This recommendation echoes our first two in its push for straightforward, helpful customer service. Businesspeople liked the way the original Access Nova Scotia worked, but many observed that the focus has shifted away from helping small businesses and towards conducting consumer transactions.

The task force recommends a return to that original spirit, making sure that service for the customer is paramount. Government employees need to be there to help people navigate through the maze of regulations that participants talked about. All services should have ready links to any relevant e-government plans that may be developed. And the system should be organized based on the needs of customers, not departments. For example, let's say you are interested in becoming a barber. You shouldn't have to know which government department is involved. You should simply be able to type the word "barber" into this system, and the relevant information should appear.

Service Nova Scotia's promise to have a presence in every county and more comprehensive service offices across the province would go a long way to responding to the concerns about regionalization and centralization.

Service Nova Scotia has a comprehensive plan for improving service, both over the counter and over the Internet, through a balance of "clicks and mortar."

It pledges that by March 2001 it will improve its driver licensing and testing service, expand Registry of Motor Vehicle transactions at some satellite sites, and enhance electronic and telephone service options. The range of services offered electronically will grow across the province to include obtaining vehicle registration renewals, registering and updating information about a business, advising the Registry of Motor Vehicles of address changes, requesting certificates of birth, marriage, or death, and purchasing topographical data.



- **Complete the implementation of the LPA process**

The task force believes government should implement the recommendations of the Licences, Permits, and Applications (LPA) Task Force. The previous government recommended and approved this streamlined approach, but it lost momentum and was never fully implemented. The task force has reviewed the report and its 36 recommendations. We feel it is a wise document that should be taken off the shelf and put it into action.

Instead of forcing people through a maze to apply for everything from a driver's licence to a restaurant licence, this system would be in the spirit of "the single-window access" proposal. Many individuals and groups have recommended such measures to cut down on unnecessary paperwork.

Applications and correspondence should be allowed via e-mail or through local offices. The government should champion such a time-saving, direct approach and promote it to businesses. Of course, the system must be secure and interactive. This plan would be especially helpful to rural companies by saving them the expense of travelling to urban centres to file paperwork.

- **Allow businesses to pay by debit and credit cards**

This goes hand in hand with the notion of treating businesspeople as customers. In the year 2000, it seems reasonable to consider allowing businesses to pay for licences (and liquor) by credit cards or debit cards.

The vast majority of society uses one or both to buy things everyday; it's time to acknowledge the move towards a cash-less society.

This should save money and hassle for businesses. However, considering the province's fiscal situation, vendor fees for using cards may have to be recovered by government.

- **Establish a one-stop business registry for new businesses**

When a business establishes itself, it registers with the Registry of Joint Stock Companies. The owner must also complete a far-ranging series of forms. But many participants at our meetings decried the fact that they had to fill out this so-called "tombstone information" for various reasons year after year, even if the information hadn't changed.



This system needs to change. We believe that once a business has registered, the information should be registered with a central database of some sort, so businesspeople do not have to complete such intricate forms every time they deal with government. Once the registration is complete, the province should automatically send the company relevant information on regulations, new businesses, common questions, etc.

Happily enough, Service Nova Scotia is already at work modernizing and streamlining the province's system of licences, permits, and applications (LPA). Once business has registered, the tombstone data on the business will be transferable to subsequent LPAs that the business may require.

- **Enforce regulations, but don't treat businesses as adversaries**

Tension is only natural in the relationship between government and business. After all, businesses want to move ahead with their projects as quickly as possible, while many government regulations are designed so that inspectors must be methodical, careful, and thorough—aimed at preventing problems before they develop. There can be no reasonable argument against enforcing regulations; however we believe it is possible to move away from an adversarial system to a more constructive, problem-solving system, without sacrificing safety.

When inspectors shut down a project, the business needs to know not just what is wrong, but also how to fix the problem. When the relationship between government and business becomes frayed, the system implodes.

The task force suggests the government should not immediately decide that regulations are the best route to industry safety and compliance. Regulations can sometimes be so rigid, so all-encompassing that they become unreasonable in practice. Indeed, there is growing international support for alternatives to government intervention, including self-regulation. No employer wants employees to be hurt at work. Businesses and inspectors are in the same boat, after all; in the end, they want the same thing: a safe workplace. Co-operation is the best route.

The province is well advised to learn from the spirit of the ISO 9000 system. A company trying to achieve ISO 9000 standards will focus on the customer, continuously measuring the satisfaction of its customers. An independent auditor regularly assesses how well the company is doing. We recommend government be customer focused, less adversarial in its approach to regulatory enforcement, and geared more toward service and outcomes.



- **Make public communication a top priority**

People say government is constantly restructuring itself, but never re-educating the public. As a result, the government seems to be metamorphosing every year, leaving a perplexed population that has a hard time figuring out precisely what's changed, why it's changed, and what it all means to them.

What it means now is confusion. What we need is clarity. The task force recommends a more concerted program of communicating, advertising, and promoting changes to the public. The tools are already in place; they just need to be used more effectively. Government should promote this re-education on the Internet and establish a 1-800 line to help businesspeople.

This goal flows into our theme of serving the public as customers. The standard-bearer of this initiative will be Service Nova Scotia—itself a new department. To make inroads, government needs to be a part of the community. Provincial services need to have local offices or kiosks, offering clear information brochures, Internet access, and the latest updates on government services. As already noted, Service Nova Scotia appears to be headed in the right direction.

One of its priorities is to expand services in counties that do not currently have access to Registry of Motor Vehicle services. Those counties are Shelburne, Queens, Guysborough, Hants, and Richmond, and the department is looking at piloting other services in these counties. Possible expanded services could include forms pick-up, brochures, and a drop-off service; a hot line for customer access to information on services like debtors' assistance; and computerized access to electronic services.

Changes to Acts/Regulations

- **Empower municipalities to set their own retail hours**

The task force recommends that the provincial Retail Business Uniform Closing Day Act be amended to give the municipalities authority over Sunday shopping. Decisions on retail hours of operation should be made at the municipal level.

We understand there is not universal support in Nova Scotia for allowing stores to open seven days a week. Some say it will put undue strain on small businesses by forcing them to work longer hours or hire more staff. Others speak of the religious or family significance of Sunday and say it must stay that way.



At the same time, some areas of the province want retail deregulation. In Amherst for instance, businesses say they lose valuable revenue because they can operate only six days a week, while their competitors across the border in New Brunswick are unrestricted. According to an opinion poll done this spring for the Metropolitan Halifax Chamber of Commerce, 83 per cent of the members who responded were in favour of deregulated hours.

Society is different than it was a generation ago. Nova Scotia is the only province in the country that does not allow shopping every day of the week. Retailers say they are losing money to e-tailers—the companies that sell products on the Internet 24 hours a day, seven days a week. Nowadays, many families have both parents working, leaving next to no time to run errands through the work week and turning Saturday into “errand day”; another day of open stores would likely help many families.

- **Change licensing rules for restaurants and bars**

The task force recommends that restaurant and bar licences run for three years, instead of one. This is consistent with the recommendation of the 1987 Task Force on Licences, Permits and Applications that licences, permits and registrations be valid for three years.

- **Deregulate the bus system**

In spite of the controls on a regulated bus service in the province, scheduled service has been declining steadily. The task force believes we need competition in this sector—there is no reasonable argument against it. Other provinces that have deregulated the scheduled market say it hasn’t caused a drop in service. Competition should be good for the consumer and entrepreneurs trying to expand into the public passenger sector.

At the same time, the task force is recommending *sufficient* regulations to ensure increased safety. Right now, only buses have safety regulations; we must ensure that all forms of public transport can meet some agreed standards for safety. Although our principal goal is to eliminate regulations, the task force is also charged with protecting safety in regulations; this is merely a balanced, sensible approach.



- **Remove out-of-date, unworkable regulations from the books**

Following the request of the task force, each department has appointed a co-ordinator to examine and review its regulations to see if they make negative, unnecessary impacts on business. When a proposed regulation is being drafted or an existing one is being reviewed, it must be measured against seven questions on its impact on business (see Appendix 6).

As a result of reviews to date, we are recommending the elimination of the Wood (Lumber) Grading Act and the Shopping Centre Development Act. We will now start to review in detail others that have been brought to our attention by department co-ordinators and decide in due course which others we would recommend for removal.

For a regulation to work, it must be able to stand on its own against cries that it is illogical, unfair, or incomprehensible. Whether it is old or new, brief or lengthy, it must stand up to such scrutiny and be deemed fair and enforceable by such criteria.

We must anticipate how easy or difficult it will be to enforce the regulation, what burdens it will place on businesses, and what benefits it will bring the public.

If it won't be enforceable, it should be scrapped. If an existing regulation is unenforceable, it should be amended.



The Next Steps

The task force only completed its initial consultations in September. Many of the points brought to our attention need further investigation and consultation with the various parties involved before we are able to make thoughtful, worthwhile recommendations. Again, we must always strike a balance between encouraging business and protecting employees and the public. Those are the criteria we will be using when we make our recommendations. Our aim is to make constructive change for the better of all Nova Scotians.

We'll be taking a closer look at a number of issues in the months ahead. One example is building fire codes.

The codes address safety, from the point of view of employees exiting the building and the personnel fighting the fire. The Fire Marshal ensures that the codes are met. However, in many instances, the terms of the building codes continue on to describe how the fire protection shall be accomplished—sprinkler systems, fire-rated walls, etc. In addition to the Fire Marshal, insurance companies also look at such scenarios, usually weighing things in terms of risk and claims. Insurance companies have a degree of discretion in some situations. It is virtually impossible to give that degree of discretion to someone who has to inspect to a code, someone like the Fire Marshal.

The result is a regulation that tends to be "one size fits all" and that costs businesses money. Could the government's enforcement role be reduced in such cases? This is an intriguing example, since it illustrates the potential to achieve precisely what you want (fire safety and prevention) with *less* regulation and *less* intervention, while still adhering to safety requirements. We mention this merely as an illustration of the type of situation the task force will investigate in detail.

We will also be talking more closely with a number of departments, including:

- The *Department of Environment and Labour* regarding the Occupational Health and Safety Act, as it pertains to small business, as well as other technical questions raised by participants. We will also be discussing the regulations for septic systems in rural areas.
- *Service Nova Scotia* to see how the department is responding to the similar concerns we have heard.



At the same time, all government departments have completed an initial review of any regulations that have an impact on business. We will follow up on which regulations they believe should be amended, reduced, or deleted.

The task force is obviously becoming more and more familiar with Nova Scotia's regulations, their aims, their processes, and their frustrations. As our knowledge of those regulations grows, we should be better placed to establish a framework of guidelines to review their impact on business. As well, we should have the experience to propose alternatives to be explored before adding to the growth of regulations.

Already, we are encouraged that progress is being made on many fronts. We are confident that as our mandate moves forward, positive changes will move with us. Please make sure to give us your feedback—let us know if we are on the right path.



Appendix 1

Terms of Reference

March 6, 2000

Background

The regulatory environment plays an important role in the competitiveness and economic prosperity of the province. A regulatory environment that both protects the public and promotes economic prosperity is required. Regulations must be balanced, effective and fair.

Mission

To help create a regulatory business environment that promotes economic prosperity through regulations and administrative procedures that are seen as necessary, effective and fair

Goals

- A smarter regulatory environment that both protects the public and promotes economic prosperity
- A more balanced, efficient and effective regulatory administration

Objective

- To minimize unwarranted and unnecessary regulatory impacts/burdens, on businesses operating in Nova Scotia

***Task Force Mandate***

The Task Force on Red Tape Reduction is mandated to make recommendations on eliminating/alleviating unnecessary impacts of business regulations. The task force will:

- i) undertake a review of business impact regulations to eliminate unnecessary obstacles to achieve an optimum competitive business climate,
- ii) submit recommendations to the Minister Responsible for Priorities and Planning on which regulations should be repealed or revised,
- iii) advise the Minister Responsible for Priorities and Planning on the results of the review of existing regulatory frameworks and operations to streamline administration and promote the goals of the Red Tape Reduction Initiative,
- iv) establish a framework or set of guidelines which will allow for the ongoing review of business impact regulations,
- v) advise on any other matters the task force may deem necessary as a result of information coming to its attention during the course of the review.

Composition

The Minister responsible for Priorities and Planning has established a Red Tape Reduction Task Force. The task force will be chaired by the Red Tape Commissioner, a respected business leader. The task force will be made up of Members of the Legislature. Legal support from the Department of Justice will be required.

Process

The task force will:

- i) prompt regulatory authorities to:
 - inventory business impact regulations,
 - identify (with stakeholder input) which regulations pose unnecessary obstacles to a competitive business climate,
 - recommend which regulations should be reviewed first so as to target those representing the greatest opportunity for improvement,
 - and recommend administrative efficiencies.



- ii) conduct broad-based consultations; the task force may also speak to individuals who are involved in the regulatory process or had subsequent responsibilities in administering specific regulations.
- iii) determine priorities for the regulatory review based upon the regulations that, in the opinion of the task force, pose significant, unnecessary obstacles to job creation and economic growth. In other words, the review will be priority driven, addressing the most problematic regulations first.
- iv) deliberate on the recommendations of the regulatory authorities and of the input received through the broad based consultation
- v) for proposed, new regulations determine whether a proposed regulation has business impacts, and report to the sponsoring regulatory authority Minister. If the task force deems the proposed regulation to have business impacts, the task force will advise the sponsoring regulatory authority Minister who will prepare an analysis of the proposed regulation based on the seven following criteria:
 - the need to intervene with the regulation
 - alternatives to making the regulation
 - results of stakeholder consultation carried out on the proposed regulation
 - an analysis of whether the benefits of making the regulation outweigh the costs;
 - the effect the regulation would have on competitiveness of our business climate
 - duplication or conflict with other Government initiatives
 - and, whether the proposed regulations contain provisions for reviewing or repealing the regulation.
- vi) present reports and recommendations to the Minister responsible.

***Time Line***

May 2000	Task force is appointed, call for written submissions
May	Establish a framework or set of guidelines for the review
June	Regulatory authorities initiate inventory and internal review
Summer 2000	Consultations: written submissions accepted, sectoral meetings
September	The task force will coordinate with the regulatory authorities the review process and timetable
September	First round of public meetings. Consultations (and ongoing throughout the process)
September	A report and recommendations will be presented to the Minister
October– February 2001	Review in process The task force will submit progress reports to the Minister
March 31, 2001	Report and recommendations to the Minister
April 1, 2001– February 2002	Consultations and review in process The task force will submit progress reports to the Minister
March 31, 2002	Final report and recommendations submitted to the Minister



Appendix 2

How Regulations are Made or Amended

What is a "regulation"?

A "regulation" includes any rule, rule of court, order prescribing regulations, tariff of costs or fees, form, by-law, resolution or order made in the execution of power given by an enactment except where the definition of "regulation" as defined by the Regulations Act applies or where a contrary intention appears from the enactment. Interpretation Act, R.S.N.S. 1989, c. 235, s.3.

The Regulations Act, R.S.N.S. 1989, c.393, s.2(g), defines a regulation as:

- I. "regulation" means a rule, order, proclamation, regulation, bylaw, form, resolution or tariff of costs or fees made in the exercise of a legislative power conferred by or under an Act of the Legislature
 - A. by the Governor in Council,
 - B. by the minister presiding over any department of the public service of the Province or by any official of such department, whether or not such regulation is subject to the approval of the Governor in Council,
 - C. by any board, commission, agency or body listed in the Schedule to this Act or added thereto by the Governor in Council in accordance with this Act, whether or not such regulation is subject to the approval of the Governor in Council, or
 - D. the exercise of which power is declared by the Act conferring it to be a regulation within the meaning of this Act, but does not include a rule, order, proclamation, regulation, bylaw, form, resolution or tariff of costs or fees made by
 - E. a local authority, or
 - F. a corporation incorporated by private or public Act of the Legislature or by the board of directors or the board of management of such corporation unless it is a board, commission, agency or body listed in the Schedule or added thereto by the Governor in Council in accordance with this Act;

The Regulations Act requires all regulations to be filed with the Registrar of Regulations and to be published, with some exceptions, in the Royal Gazette Part II.

***How are regulations made or amended?***

The power to make regulations is contained in a Statute (Act) made by the Legislature. The act enables the regulation-making authority (usually either the Governor in Council (cabinet + the Lieutenant Governor), a minister, or a board or commission, or some combination of them) to make regulations for specific reasons or about a subject matter listed in the enabling section of the act.

The regulatory process itself is usually initiated by the department of the minister responsible for the administration of the act, once a need for regulations is established. When the need for new regulations or an amendment to existing regulations is identified by a department or other interested groups or individuals, the objective of the regulations is documented by the department.

Next, either instructions for drafting or actual drafts of the proposed regulations are prepared by department staff, who usually work with the solicitor assigned to that department by the Department of Justice.

From this point on in the process, the draft regulations take different paths, depending on how they are authorized to be made by their enabling acts.

According to the Interpretation Act, the power to make regulations also includes the power to amend or repeal regulations, and the process remains the same for all. Therefore, where the word "regulations" is used in the following descriptions, it also includes amendments to regulations and repeals of regulations.

Regulations made or approved by the governor in council

When the draft regulations are in a form satisfactory to the department and the solicitor assigned by the Department of Justice, the solicitor approves them on behalf of the Attorney General as to their form and the legal authority under which they are made, in accordance with the Regulations Act. The regulations are then sent to the Registrar of Regulations for further review as to form under the Regulations Act.

The Registry edits the draft regulations in order to ensure compliance with the Department of Justice's Style and Procedure Manual (<http://www.gov.ns.ca/just/regulations/styleman/styleman.htm>), making sure that the regulations fit with any already existing regulations, ensuring consistency of form and language and commenting on any matters that may require reconsideration by the department or the solicitor.



Once regulations have been approved as to form and authority by the solicitor and as to form by the Registrar of Regulations, they are also signed by the minister of the responsible department and forwarded to the Policy and Planning Secretariat for final review before they are submitted to Cabinet. On the recommendation of Cabinet, regulations are delivered to the Lieutenant Governor for approval.

Once the regulations have been made by the Lieutenant Governor, the Order in Council and the regulations are returned to the Registrar of Regulations for filing and publication in the next issue of the Royal Gazette Part II.

Regulations made by or approved by the minister (without governor in council approval)

When the draft regulations are in a form satisfactory to the department and the solicitor assigned by the Department of Justice, they are forwarded to the responsible minister in the form of an order for the minister's review and approval. Upon approval, the minister signs and dates the order to give effect to the regulations. The ministerial order and regulations are then forwarded to the Registrar of Regulations for filing and publication in the next issue of the Royal Gazette Part II.

Regulations made by a board, commission, agency, or other body (without governor in council approval)

In this scenario, the regulation-making body initiates the process and then, depending on the circumstances, may work together with the department's staff and solicitor, or prepare the regulations themselves. Once finalized, the order of the regulation-making body is signed and forwarded together with the regulations to the Registrar of Regulations for filing and publication in the next issue of the Royal Gazette Part II.

Where can you get regulations?

Regulations may be inspected by reviewing the Royal Gazette Part II, the official biweekly publication available by subscription or at any public library. Copies of regulations may also be purchased at the registry or by phone or e-mail request.



The registry also prepares unofficial consolidations of regulations that incorporate any subsequent amendments into the original text, and which may also be purchased in print or on CD-ROM in a searchable Folio® database, or are available for viewing free of charge on the registry's website. Many public libraries also receive copies of the Registry's CD-ROM product.

Issues of the Royal Gazette Part II as well as original copies of the regulations and consolidations are also available for viewing free of charge at the Registry of Regulations, between 8:30 am and 4:30 pm on any business day.

*Registry of Regulations
Suite 400, 5151 Terminal Road,
Halifax B3J 2L6
Tel: (902) 4246723
E-mail: RegofRegs@gov.ns.ca
Website: <http://www.gov.ns.ca/just/regulations/>*



Appendix 3

Consultation Schedules

April 18 Breakfast Session

Alliance of Exporters' and Manufacturers'
Canadian Federation of Independent Business
Metropolitan Halifax Chamber of Commerce
Nova Knowledge
Voluntary Planning

June 8 Meetings with Deputy Ministers

Finance
Fisheries and Aquaculture
Environment
Justice
Labour
Business and Consumer Services

June 9 Meetings with Deputy Ministers

Tourism and Culture
Economic Development
Natural Resources
Registrar of Regulations
Housing and Municipal Affairs
Agriculture and Marketing

**June 27**

Canadian Soft Drink Association
Greater Halifax Partnership
Tourism Industry Association of Nova Scotia
Atlantic Provinces Economic Council
Office of the Auditor General

July

Notes (excerpts re Red Tape) from the Economic Development regional and sectorial consultation meetings held around the province in May and June

August 2

Investment Dealers Association of Canada
Metropolitan Halifax Chamber of Commerce
Nova Scotia Federation of Agriculture
Construction Industry Association of Nova Scotia
Nova Scotia Home Builders' Association

August 16

Nova Scotia Federation of Labour
Nova Scotia Government Employees' Union
Canadian Union of Public Employees Nova Scotia
Canadian Restaurant & Food Services Association
Union of Nova Scotia Municipalities
Tax Expert/Chair VP Taxation



August 30

InNovacorp

Mainland Nova Scotia Building & Construction Trades Council

Black Business Initiative

September 5-21

15 Public meetings

90 attendees

8 media

May-October

Written submissions —

59 submissions

17 businesses

18 civil servants

8 municipal

7 associations

6 citizens/other

2 RDAs

1 labour

October 12

Canadian Federation of Independent Business



Appendix 4

Submissions

Organizations and Nova Scotians who submitted responses to the RTRTF.

<i>Organization</i>	<i>Name</i>	<i>City/Town</i>
Alliance of Manufacturers & Exporters Canada	Smyth, Dick	Halifax
Antigonish RDA	Parier, John	Antigonish
APL Properties Ltd	Pickrem\Welburn, Judy/Marina	Halifax
Aquaculture Association of Nova Scotia	MacNeil, Marli	Halifax
Canadian Soft Drink Association	Farn, Calla	Halifax
Connie's Financial Services	Pettigrew, Connie	Oxford
Construction Association of Nova Scotia	MacCulloch, Carol	Dartmouth
Cumberland Regional Economic Development Association	Kelly, Rhonda	Amherst
CUPE Nova Scotia	Betty Jean Sutherland	Halifax
Halifax Regional Fire & Emergency Services	Burrell, W. Bruce	Halifax
Halifax Regional Municipality	Keith, Chuck	Halifax
Halifax Regional Municipality —Community Projects	Waye, Allan	Halifax
Halifax Regional Municipality —Department of Planning	Donovan, Jim	Halifax
Halifax Regional Municipality —Transportation & Public Works	Dhillon, Kulvinder	Halifax
Kimberly Lloyd Developments	Pierce, Gary	Halifax
Land & Sea Contracting Ltd.	DeWolfe, P.Eng., W.L.	Chester

***Organization***

Margaree Management Consultant
MTT
Municipality of Annapolis County
Nova Scotia Building Officials Association
Nova Scotia Co-operative Council
Ocean Produce International
Oxford Frozen Foods
Parrsboro Metal Fabricators
PC Party of Nova Scotia
Plaza Management Ltd.
Plaza Management Ltd. (Realestate Mgmt.)
Poly Cello
Redding & Redding
Region of Queens Municipality
Swifttrade Securities
The Human Element
The Institute for Early Childhood
Education & Developmental

Name

Sheehan, Peter
Hartlen, Chuck
Emms, P.Eng., L.M.
Leedham, Jack
Mombourquette, Alex
Cayer, Ed
Bragg, John
Wilson, Steven
Knowler, Ted
MacDonald, Andrea
Johnson, Darla
Lusas, Brian
Redding, Robert
Napier, Sara
Archibald, Karen
Boyer, Amery
Miller, Connie

CityTown

Margaree Harbour
Halifax
Annapolis Royal
Dartmouth
Truro
Shelburne
Oxford
Parrsboro
Dartmouth
Halifax
Halifax
Amherst
Shelburne
Liverpool
Truro
Halifax
Truro

***Organization***

Tourism Industry Association of Nova Scotia

Trenton Works Ltd.

Wallace MacDonald Lively

Name

Judith Cabrita

Mingo, Gary

Wallace, Stephen, P.Eng., NSLS

Anonymous

Campbell, William

Harley, Elisa

Smith, Ben

Sullivan, Hugh J.

CityTown

Halifax

Trenton

Bedford

Shelburne

Halifax

Hubbards

Lunenburg

Antigonish

18 Civil Servants to Red Tape Commissioner through Groupwise e-mail.



Appendix 5

Criteria for Review of Regulations

Are the regulations needed? Why? Why not?

- What are the alternatives to having regulation?
- What are the implications of eliminating regulations?
- What are the results of your stakeholder consultation?
- Do the benefits of the regulation outweigh the costs?
- How does the regulation impact on competitiveness of our business climate?
- Are there duplications or conflicts with other departments/other levels of government?
- Are there sunset provisions for reviewing or repealing the regulation?